

**MEGA SUN CITY HOLDINGS BERHAD**  
**(200401002347)(640850-U)**

**TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

**1.0 MEMBERSHIP**

- 1.1 The membership of the Remuneration Committee (“the Committee”) shall comprise wholly of Non-Executive Directors and a majority of them must be Independent Directors, shall be appointed by the Board.
- 1.2 The Committee shall comprise no fewer than three (3) members.
- 1.3 Chairman of the Board should not be a member of the Committee.
- 1.4 The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board of Directors.
- 1.5 The members of the Committee shall elect a Chairman from among themselves who shall be a Non-Executive Director. In the absence of the Chairman of the Committee, the members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.
- 1.6 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

**2.0 MEETINGS**

**2.1 Frequency**

The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman’s discretion.

**2.2 Quorum**

Two (2) members of the Committee, of whom one must be an Independent Director shall be a quorum.

**2.3 Secretary**

The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

## **TERMS OF REFERENCE OF REMUNERATION COMMITTEE (CONTINUED...)**

### **2.0 MEETINGS (CONTINUED...)**

#### **2.4 Attendance**

Other Directors, key executives and employees may attend any particular meeting only at the Committee's invitation.

#### **2.5 Reporting Procedure**

2.5.1 The minutes of meetings of the Committee shall be circulated to all members of the Board.

2.5.2 The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting.

#### **2.6 Meeting Procedure**

The Committee shall regulate its own procedure, in particular:-

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee at least 5 business days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.

A resolution in writing signed or approved by letter or facsimile by a majority of members (of whom at least one must be an independent Director) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.

### **3.0 ADVISERS**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary after having obtained approval from the Chairman of the Board.

## TERMS OF REFERENCE OF REMUNERATION COMMITTEE (CONTINUED...)

### 4.0 DUTIES

- 4.1 The duties of the Committee shall be to recommend to the Board as follows:-
- (a) to establish and recommend the remuneration structure and policy for managing director, executive directors and senior management, with the aim to attract, retain and motivate high calibre individuals required by the Board on long term basis and so structured as to align their interests with those of the Company and its shareholders and to review changes to the policy, as necessary;
  - (b) to review and recommend the individual remuneration package for the managing director, executive directors and senior management, taking into consideration the complexity of the Group's business and operating results, comparable market statistics, the individual's responsibilities and performance, and the Group's performance in managing material sustainability risks and opportunities;
  - (c) to review and recommend to the Board the remuneration packages for Non-Executive Directors, taking due account of their experience and degree of responsibilities undertaken. The individuals concerned should abstain from discussion of their own remuneration. The Directors who are shareholders should abstain from voting at General Meetings to approve their fees;
  - (d) to review indemnity and liability insurance policies for the directors and officers of the Company;
  - (e) to oversee the qualitative and quantitative disclosure of remuneration made in the Annual Report and notice of general meeting; and
  - (f) to deliver explanation to shareholders during general meetings on matters related to directors and senior management remuneration, in addition to the overall remuneration framework of the Company.
- 4.2 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.
- 4.3 These Terms of Reference should be reviewed annually and be amended as required, subject to the approval of the Board.